

Feb 2019 Documents

- Board Meeting Minutes 2/2/19
- Financial Info Second Quarter

Sky Harbor POA Board Meeting
Saturday, February 2, 2019
10:00 AM
Bennett's BBQ, Gatlinburg, TN

Board Members in attendance:

Randy Lange (Chairman), Chris Muster (Vice Chairman), Cheryl Lowery (Treasurer), Kelly Frontroth (Secretary), Billy Duncan, Junior Webb, Jimmy Lowery, Mark Brandenburg, Gary Whitehead, and Melissa Bingham. Josh Burch conferenced in listen mode.

Guest: Matt Nass

Randy Lange called the meeting to order at 10:00am and Jimmy Lowery opened the meeting with prayer.

Approval of Meeting Minutes

Sky Harbor POA Board Meeting Minutes for Saturday, November 10, 2018 were emailed to all of the board members by Kelly Frontroth, Secretary, prior to the meeting. Billy Duncan moved the minutes be approved as submitted. Motion was seconded by Mark Brandenburg. With no additions or corrections to the minutes, the minutes were approved as submitted. 10 For, 0 Opposed, 0 Abstained.

Kelly Frontroth also reviewed the To Do List Spread Sheet from November. All items were completed with the exception of the following:

Removal of TRAIL sign – Junior Webb will take care of this item.

Order signs to post advising construction must be approved by the Architectural control Committee. The Architectural Control Committee felt this item needed to be placed on hold until the Impact Fee was approved.

Deeding Lot 1065 Beach Front and lot 338 Ridgefield Dr. over to Sky Harbor. Jimmy Lowery is still looking into how to get the deeds corrected. These items will be carried over to the To Do List Spread Sheet from this meeting.

Public Comments

Matt Nass from Settlers Ridge spoke with the board concerning the road from Mannis Hollow to the back entrance of Sky Harbor. Settlers Ridge has 23 Houses and 40 Lots. Loafers Glory is a private road. He does not have figures at this time, but is asking that the Sky Harbor Board consider budgeting in some financial help for this shared road. Matt will bring figures for this maintenance to a future meeting for discussion.

Treasurer's Report

Treasurer's Report was submitted by Cheryl Lowery, Treasurer. *See attached Profit and Loss Statement.*

Current A/R Balances:

2018-19 Dues not collected- \$48,038 (Down from \$64,179- 11/1/18)

\$22, 176 From Non-Pratt Accounts – (109 Lots - down from 172 Lots on 11/1/18)

\$25, 862 From Pratt Accounts (131 Lots)

Past Dues not collected (Non-Pratt Accounts) - \$12, 199 – (43 Lots - Down from 53 Lots 11/1/18)

Cash Balance – July 31, 2018	\$270,885
January 31, 2019	\$320,994

Financial Committee Report

Foreclosures:

Foreclosure papers were given to a Constable in Gatlinburg to be served to two property owners. Once these papers are served, it will be an all or nothing payment to clear the account.

Email Addresses in Xero

Email addresses have been imputed for 305 owners representing 488 properties (approximately 40%). When the Christmas emailed was sent in December, only 13 came back as undeliverable. Those will be checked and corrected before June.

Two properties on Sevier County Tax Records, Orville Agyer, Beach Front Dr. Lot 1065 and Brewton on Ridgefield Dr. Lot #338, are being billed to Sky Harbor in both the individual's name and Sky Harbor. Jimmy Lowery is still looking into this. He has confirmed that these lots are not in the name of Sky Harbor. These lots were signed over to Sky Harbor, but the deeds were never registered in the name of Sky Harbor.

Non-Pratt Accounts in Late Payment:

There are 115 Non-Pratt accounts in late status. SHPOA has email addresses for 33 of these accounts. The late letter that was sent after the February meeting last year will be sent via email or USPS to these 115 accounts before turning them over to Pratt for collections

Policy Committee

By-Laws

The Policy Committee proceeded to work on the 8 amendments to the current bylaws.

- 1) One vote per lot.
- 2) One potential board member per lot.
- 3) A bylaw to address potential board member when needed to fill vacancies between annual elections.
- 4) Need for proxies/absentee voting.
- 5) Need for formal procedures to allow board business to be conducted between board meetings.
- 6) Conflicts of interest of members serving on the Board.
- 7) Need for language when a board member sells their property as to when/if they should be required to resign from Board.
- 8) Dues must be current in order to serve on the board.

The committee wanted the board's opinion on two items:

- A) The need for formal procedures to allow board business to be conducted between board meetings.

Legal counsel advised voting could be conducted in between meetings as long as it is addressing Board business and not in conflict with present by-laws or strip power(s) from the Members

The board as a whole agreed that this needs to be a policy for each board to decide on. At the August meeting of the new board, it needs to be voted on if a board wants to conduct board business outside of the quarterly meeting or a special meeting and how they wish to do this. Cheryl Lowery recommended that any votes in between meetings pass by 2/3 board members instead of 50% plus 1. Anything less needs to be brought to a quarterly or special meeting. The board felt this was a good idea.

After this meeting Kelly Frontroth will send out an email to all current board members providing a form for them to sign if they wish to vote by email for the remainder of this board's

term. Once all 15 board members have returned their form, Kelly Frontroth will advise the board they can vote by email should an important event arise in between meetings. Any such items voted on will be recorded and made public in minutes of the next board meeting. If all forms are not received, the board will remain voting at quarterly meetings and any called special meetings for the remainder of this board's term.

B) Proxies and Absentee Ballots

After detailed discussion, the board agreed that it is a members right to vote, and desires to work towards a provision to allow all members the opportunity to vote. This provision would include the use of both an absentee ballot and the use of a proxy as determined by the board. To remove the chance for tampering or abuse, both would need to be validated prior to the annual meeting by a third party. Currently our bylaws do not have provisions for either. Tennessee state law requires acceptance of proxies, so any amendments presented this year will need to be voted on by a member present at the annual meeting or a validated proxy. The "validation system" was used during the election at the annual meeting last year.

It was also recommended by a member of the Policy Committee that at the annual meeting the members elect 15 Board Members plus 2 alternates. The alternates would be required to attend the board meeting and receive all correspondence, but they would not have a vote. The advantage is they would be up to speed in the event of a vacancy. The board felt it was a lot to ask of a person to be an alternate with no voice or no vote.

There was also a recommendation from the board to change the wording of Five-Five-Five to the board of directors. There is no documentation on record formerly defining Five-Five-Five. According to legal counsel, it would have to be voted on by membership to modify the name. It would not have to be inserted as an amendment, if approved, the name would be changed throughout the document.

Architectural Control Committee

The Sky Harbor Building and Plan Approval Form has been posted on the Sky Harbor POA website. Signs, which are to be placed at the entrance and the Map/Mailbox area on Silver Poplar, have not been posted. The committee felt the Impact Fee voted on at the November Board Meeting needed to be established and everything rolled out to the members at one time. \$500 is still earmarked for these signs.

The following elements were considered by the ACC when establishing the Impact Fees:

- 1) Not to make construction so difficult it would affect people purchasing lots.
- 2) Property Owners need to see continued improvements on our roads if we are going to charge Impact Fees. (Trust Factor)
- 3) Fees need to be simple and fair
- 4) Fee do not need to be exorbitant

With these elements in mind, the ACC established the following:

An Impact Fee of \$500 per room is to be charged according to the property's septic perk test regardless of the number of rooms being built. This fee is a onetime charge when construction begins on the property. This fee is only charged on new or reconstruction. This fee is to be used for road maintenance. Implantation of this fee is to begin March 1st. Moved by Billy Duncan and seconded by Randy Lange. 10 For, 0 Opposed, 0 Abstained.

Road Committee Report

Safety Items. LED lighting has been installed in the 11 places were identified as needing outdoor lighting. The 24 road signs have been ordered and are currently being installed. Guardrails have been installed and the community has taken notice of these improvements.

Paving.

While the goal of the current board is to have all roads in Sky Harbor paved it will be a long term approach. The Road Committee has been assessing the 35 miles of road to prioritize those roads in most need of paving. This determination was made by safety factors, use, condition, and number of homes in an area. In the event of emergency maintenance (ie: a pothole or a road washout) there is an emergency maintenance amount within the budget. The Road Committee has been in contact with Newport paving concerning the most efficient and cost effective way to have these roads paved. Out of these discussions, the following plan was established:

Phase 1:

Silver Poplar – Guard shack to above Ski View

Silver Poplar – Ski View to Mail Boxes

Ski View – Grave yard to School House Gap

Silver Poplar – Big Bear

Silver Poplar – Above Big Bear

Silver Poplar/Sky View Near Big Bear

Lilly (graveled now)

Jacks Pass – Pave (widen preparation)

Rhododendron – stone widen

Ginny – pave 2 sections

Jimmy Lowery moved that the above paving plan be put in place. The Road Committee would be allowed a budget for Phase 1 not to exceed \$200,000. Paving plans for phases 2 and 3 would be continued as funds become available and approved by the board. If at any time the road committee feels that changes to these phases would need to be made, they would be required to come back to the board for approval of these changes. Mark Brandenburg seconded the motion. 9 For, 0 Opposed, 1 Abstained (Junior Webb).

Cheryl Lowery, Treasure advised that if \$200,000 is spent, the budget will show an \$110,000 deficit. This is only the budgeted amount. The funds are in the savings account, however, since our budget is on a cash basis, it will need to be explained at the annual meeting why a deficit is showing.

Old Business

Lodge Management

Randy Lange has been in constant contact with John Madewell from Auntie Belham's.

Refurnish/Rehab of the Lodge is almost complete. Randy Lange feels John has exceeded the amount he initially planned to put into the cabin. There are a few items that need our attention. Carpet needs to be replaced in the lodge. Since it is our cabin, the board felt that we need to help with this investment. It was moved by Jimmy Lowery and Seconded by Melissa Bingham that Randy Lange be allotted funds to help with property items for the lodge. 10 For, 0 Opposed, 0 Abstained

Randy Lange also advised the decking on the back needs to be shored up as the stability of the deck is a liability issue. The board looks at leasing the lodge as a long term investment. The board feels that as the investment starts paying for itself, money may need to be reinvested into replacing the deck. In the meantime, the deck needs to be stabilized.

Chris Muster also mentioned the shingles over the sign at the mailboxes need to be replaced.

It was moved by Billy Duncan and seconded by Kelly Frontroth to have these items repaired with the priority being placed on shoring up the deck. 10 For, 0 Opposed, 0 Abstained.

New Business

Electronic Voting

Mark Brandenburg distributed some research he has done on Electronic voting. This could be used as a method of absentee voting for either members who cannot attend the annual meeting or for the board in between quarterly meetings. Copies were given to board members. Kelly Frontroth will send everyone an electronic copy.

With no further business Jimmy Lowery motioned the meeting be adjourn at 2:45PM. Randy Lange seconded the motion. 10 For, 0 Opposed, 0 Abstained. Meeting Adjourned and closed in prayer by Jimmy Lowery.

The next board meeting will be held May 4, 2019 at 10:00 AM at Bennett's Bar-B-Que Conference Room, Gatlinburg, TN.

Respectfully Submitted,

Kelly Frontroth
Secretary SHPOA

Sky Harbor Property Owners Association

1 Nov 2018 to 31 Jan 2019

Cash Basis

	2nd Qtr Actual	YTD Actual	YTD Budget	Variance
Revenue				
Dues Assessed - Current Year	14,519.74	121,818.74	130,400.00	(8,581.26)
Dues Assessed - Next Year	-	-	80,000.00	(80,000.00)
Dues Assessed - Prior Years	9,597.22	22,225.10	38,400.00	(16,174.90)
Interest Income	373.82	557.64	800.00	(242.36)
Late Fees Income	1,095.09	2,161.88	-	2,161.88
Other Revenue	290.00	(73.64)	-	(73.64)
Total Revenue	25,875.87	146,689.72	249,600.00	(102,910.28)
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Gross Profit	25,875.87	146,689.72	249,600.00	(102,910.28)
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Operating Expenses				
Accounting	2,550.00	7,550.00	12,300.00	(4,750.00)
Bank Service Charges	80.00	200.00	480.00	(280.00)
CC/PayPal Charges	89.63	250.35	-	250.35
Collection Contract - Pratt Aycock	2,502.36	4,964.38	10,680.00	(5,715.62)
Collection Fees - recording / liens	60.00	2,262.50	4,000.00	(1,737.50)
Insurance - D&O & G/Liab.	771.00	771.00	1,000.00	(229.00)
Legal Expenses	-	-	1,000.00	(1,000.00)
Licenses & Permits	-	40.00	-	40.00
Meeting Expense	270.38	885.94	2,200.00	(1,314.06)
Office Expenses	73.95	90.36	600.00	(509.64)
Penalties (Non- Deductible)	-	1,120.98	-	1,120.98
Postage, Box Rental & Delivery	403.58	1,650.42	2,100.00	(449.58)
Repairs & Maintenance - Emergency Maint.	1,592.75	1,592.75	4,900.00	(3,307.25)
Repairs & Maintenance - Maint Supplies	479.07	519.67	4,000.00	(3,480.33)
Repairs & Maintenance - Paving (general)	-	-	90,000.00	(90,000.00)
Repairs & Maintenance - Rock / Gravel Road Maint.	958.15	958.15	8,000.00	(7,041.85)
Repairs & Maintenance - Safety Maint	1,441.66	1,441.66	12,000.00	(10,558.34)
Repairs & Maintenance - Striping & Misc for roads	-	4,015.00	4,500.00	(485.00)
Repairs & Maintenance - Winter Maint.	-	-	20,000.00	(20,000.00)
Repairs & Maintenance - Yearly Maintenance	16,650.00	33,300.00	63,700.00	(30,400.00)
Software & Software Fees	44.83	83.08	-	83.08
Supplies	-	-	300.00	(300.00)
Taxes - Federal & TN F&E	-	4,506.00	4,500.00	6.00
Taxes - R. E. (3 Vacant Lots)	279.00	279.00	280.00	(1.00)
Utilities - Guard Shack & Street Lights	353.41	915.74	3,910.00	(2,994.26)
Website	130.50	723.00	1,000.00	(277.00)
Total Operating Expenses	28,730.27	68,119.98	251,450.00	(183,330.02)
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Operating Income / (Loss)	(2,854.40)	78,569.74	(1,850.00)	80,419.74
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Other Income and Expense				
CABIN - Rental Income - Bear Camp	4,057.72	12,085.72	30,000.00	(17,914.28)
CABIN - Cable	(761.40)	(1,522.80)	(3,040.00)	1,517.20
CABIN - Credit Card Fees Expense	(40.64)	(111.56)	(330.00)	218.44
CABIN - Gross Receipts Tax Expense	(38.45)	(118.73)	(300.00)	181.27
CABIN - Insurance (P&C)	(2,929.00)	(2,929.00)	(2,600.00)	(329.00)
CABIN - Management Fees Expense	(961.10)	(2,968.10)	(7,502.00)	4,533.90
CABIN - Monthly Fees	(78.00)	(195.00)	(468.00)	273.00
CABIN - Pest Control Expense	(284.28)	(374.28)	(590.00)	215.72
CABIN - Property Taxes	(950.00)	(950.00)	(970.00)	20.00
CABIN - Repairs & Maintenance Expense	(72.50)	(586.90)	(6,000.00)	5,413.10
CABIN - Supplies	(147.99)	(225.72)	(600.00)	374.28
CABIN - Utilities	(683.87)	(1,518.90)	(5,000.00)	3,481.10
CABIN- Hot Tub Fees Expense	(90.00)	(210.00)	(750.00)	540.00
Total Other Income and Expense	(2,979.51)	374.73	1,850.00	(1,475.27)
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Net Income	(5,833.91)	78,944.47	-	78,944.47